



Interim report for AAC Clyde Space AB (publ) January – March 2024

2024-05-16 AAC Clyde Space AB (publ)

First quarter, January - March 2024 (compared with January - March 2023)

- Net sales amounted to SEK 71.4 M (73.9), a decrease of 3.5 %
- Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to SEK 12.7 M (1.7). The net effect from an insurance payout relating to an under-performing satellite on EBITDA was SEK 12.6 M (0)
- Earnings before interest and tax (EBIT) amounted to SEK -3.8 M (-5.4) including impairment of SEK -6.5 M of a satellite not performing as expected
- The total loss after tax was SEK -3.2 M (-6.4)
- Basic and diluted earnings per share amounted to SEK -0.56 (-1.58)
- Cash flow from operating activities totalled SEK -13.1 M (-9.7)
- The order backlog amounted to SEK 654.2 M (460.2)

Events in the first quarter of 2024

- AAC Clyde Space received payment for an insurance claim on the satellite Kelpie-1 valued at approximately SEK 13.5 M. The claim was triggered by the satellite payload delivering less data than expected, not meeting key performance indicators. The claim was paid in full by the insurers.
- AAC Clyde Space won a GBP 4.3 M (approx. SEK 56.2 M) order for 11 satellite kits from Portuguese company LusoSpace to be delivered in the fourth quarter of 2024. The EPIC 8U variant will be co-designed by AAC Clyde Space and LusoSpace, and will be built in Portugal.
- AAC Clyde Africa won its first satellite order. The order for two satellites is valued at 4.1 million South African Rands (approx. SEK 2.3 M) and scheduled for delivery in June 2024.
- AAC Clyde Space was part in Intuitive Machines Nova C cargo lander, the first US spacecraft to soft land on the lunar surface since 1972, as a supplier of power systems, battery solutions and engineering services.
- AAC Clyde Space secured an order valued at EUR 0.9 million (approx. SEK 9.9 million) for its Sirius range of computers and services. The order is planned for delivery during the fourth quarter of 2024.
- AAC Clyde Space with its partner TNO, successfully transferred data from a compact laser satellite communications terminal, called SmallCAT, onboard a spacecraft in Low Earth Orbit (LEO) to Earth, thereby demonstrating that the laser satellite communication technology works under spaceflight conditions. AAC has contributed electronics and firmware to the laser communication terminal.
- Anita Bernie stepped down from the Board due to conflicting assignments which limit her in her Board Director role.
- Chief Operating Officer Stefania Mandirola stepped down from her role.

Events after the end of the reporting period

- AAC Clyde Space appointed to lead a consortium to develop laser communication system valued at SEK 40.4 M. AAC Hyperion will productionise the existing 1 Gbps system, CubeCAT V1, in corporation with FSO Instruments.



This will also expand CubeCat's capacity to 10 Gbps to generate a next-generation terminal to enable space-to-ground communication between small satellites and optical ground stations.

- AAC Clyde Space wins its first order for its 16U EPIC satellite to be delivered and commissioned by June 2026. The total order value is EUR 2.3 M (approx. SEK 27.0 M). The satellite will be part of the ESA OPS-SAT VOLT mission and will be capable of hosting multiple payloads. The mission, led by Craft Prospect Ltd. (CPL) is part of ESA's ARTES Scylight programme. It aims to test and evaluate groundbreaking real-time techniques and technologies with a focus on optical and quantum direct to earth communication.

Comments from the CEO

An eventful start to the year

The first quarter of 2024 has been an eventful period for AAC Clyde Space with several new milestones reached, new contracts signed and organisational changes.

We started the year with two exciting announcements, both demonstrating our growth as a company: in January we announced the successful in-orbit demonstration of our CubeCAT laser communications terminal, together with our Dutch partners. In February we were delighted to see that one of our Starbuck power systems had enabled the successful mission of IM-1, the first US moon lander since 1972. It is great to see a new product coming on line, and an existing one working so perfectly in the harsh moon environment.

In the first quarter, we implemented a change to our operational organisation, making the company more focused on delivery to our customers and ensuring that we are ready for growth. We created three new business lines dedicated to delivering the business on the three areas that we operate in: Data & Services, Missions, and Products. This change will improve our current delivery capability and prepare the company's growth in the years to come.

Financially, the quarter was generally positive, delivering comparable net sales to the previous quarter with a strong positive EBITDA and a growing order backlog. The results were affected by the total loss of the Kelpie-1 satellite, leading to a reduction of net sales in our Data & Services business, but a strong positive EBITDA following the insurance payment for the satellite. Our net sales for the first quarter suffered from delays to the start of service of our EPICHyper satellites and the loss of data from the two Kelpie satellites. We expect to recover the revenue later this year and in subsequent years as data deliveries pick up. The EBITDA of the Missions business line continued to be negative, but as we deliver our legacy mission projects, and start our new ones based on our standard platforms, we will see an improvement in the performance of the business line and expect a positive EBITDA for the year. We maintain our guidance for the year of net sales in the SEK 430M to SEK 500M range, with an EBITDA between 5% and 10%.

We won a large order for a constellation of satellites in March, that will see AAC Clyde Space delivering 11 kits of satellites to be assembled in Portugal and we signed the first contract to manufacture satellites in AAC Space Africa. These contracts show that our strategy of targeting the satellite constellation market and of exploring new geographies is starting to deliver strong results.

The manufacture of the first two xSPANCION satellites continues at pace, with the first satellite planned for launch in the first half of 2025, soon followed by the second one. Later this year we will start the manufacture of the next batch of satellites, but these will be crucial for the growth of our Space Data as a Service Business.

The first quarter was a busy period for our teams across the world, delivering on our plan to make space more accessible, affordable and useful for all. Over the next few months, as more of our SDaaS services come on line, our first VDES satellite is commissioned and we see the launch of the Arctic Weather Satellite, we will see an increased output of data from missions and products that we delivered, helping to make our world a safer place.

Luis Gomes
CEO



FOR MORE INFORMATION:

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The interim report and further information are available at <https://investor.aac-clyde.space/en/financial-reports>

ABOUT AAC CLYDE SPACE

AAC Clyde Space specialises in small satellite technologies and services that enable businesses, governments and educational organisations to access high-quality, timely data from space. Its growing capabilities bring together three divisions:

Space Data as a Service – delivering data from space directly to customers

Space missions – turnkey solutions that empower customers to streamline their space missions

Space products and components – a full range of off-the-shelf and tailor-made subsystems, components and sensors

AAC Clyde Space aims, in our chosen market, to become a world leader in commercial small satellites and services from space, applying advances in its technology to tackle global challenges and improve our life on Earth.

The Group's main operations are located in Sweden, the United Kingdom, the Netherlands, South Africa and the USA, with partner networks in Japan and South Korea.

AAC Clyde Space's shares are traded on Nasdaq First North Premier Stockholm. Carnegie Investment Bank AB is the Certified Adviser. The share is also traded on the US OTCQX- market under the symbol ACCMF.